

October 14, 1954

George F. Nelson, Esq.,
Assistant Attorney General

Attorney General

Winfield J. Phillips,
Bank Commissioner,
State House

Dear Mr. Phillips:

Since 1921 the City of Keene has provided land and building as a meeting place for the local Post of the American Legion under the authority of R.L. c. 51, s. 4, I, as amended by Laws of 1925, c. 54, s. 1. The proposed arrangement to subordinate the city's reversionary interest to a real estate mortgage for funds to remodel existing building and addition thereto is within the city's powers.

In the event that the Post should cease to function and the reversionary clause of the deed (V. 392, P. 150, Cheshire Registry) should become effective, the city may wish to provide for its assumption of any unpaid balance at that time at its option so that necessity for foreclosure of the mortgage may be clearly obviated. That is a matter for bank counsel and the City Solicitor of Keene to decide and work out, however.

With the proper observance of R.L. c. 310, s. 4 and c. 310, s. 1 (XV) no reason is perceived why it is not possible for several banks to participate in such loan. The Keene Legion Post, if not registered with the Secretary of State under the provisions of R.L. c. 272 or R.L. c. 274, should register under one or another of said chapters as a condition precedent to such loan.

The agreement of the Mayor and City Council dated May 21, 1954, is defective in that it does not specify the bank or banks to which the City of Keene is subordinating its reversionary rights, and a new resolution, complete in form, naming said bank or banks, should be required by the lending institution or institutions concerned as a condition precedent to making the loan also.

Very truly yours,

George F. Nelson
Assistant Attorney General

GFN:HP

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